

Governor's Projected Revenue Numbers				
	FY08	FY 09	FY10	FY11
3% LODGING SELECTIVE SALES TAX	\$11,759,002	\$12,339,171	\$12,947,492	\$13,585,803
4% CAR RENTAL	\$3,054,000	\$3,216,000	\$3,386,126	\$3,565,252
TOTAL REVENUE	\$14,813,002	\$15,555,171	\$16,333,619	\$17,151,056
INITIAL MEDIA BUY	\$7,129,997	\$7,487,228	\$7,861,922	\$8,255,382
Individual income taxes paid	\$ 8,281,568	\$ 8,744,619	\$ 9,127,408	\$ 9,694,052
Residential and Commercial Property Taxes	\$ 3,353,531	\$ 3,656,463	\$ 3,836,898	\$ 4,089,908
Other Taxes (Beer, Wine, Liquor, Cigarette, Gambling)	\$ 2,469,199	\$ 2,530,824	\$ 2,611,524	\$ 2,663,955
Corporate Income taxes	\$ 1,324,168	\$ 1,354,880	\$ 1,395,472	\$ 1,464,859
TOTAL RETURNED TO GENERAL FUND	\$ 15,428,467	\$ 16,286,785	\$ 16,971,302	\$ 17,912,774

BEST PLACE FIRST

A tourism plan to pass legislation that secures the future of the industry & the heritage of the Last Best Place.

Revised 1/05/07 with Executive Budget numbers.

Bill Status: This legislation is currently in drafting as LC678 and will soon be introduced as a Senate Bill.

Recognizing that we are inextricably linked by tourism and that future visitors are critical to our survival, dozens of tourism, cultural, historic and recreational entities from across Montana have joined together through this plan which will:

- ✦ Encourage economic development by enhancing Montana's tourism marketing efforts
- ✦ Preserve and restore the rich cultural and recreational heritage of Montana

Why do tourism marketing efforts need to be enhanced?

Many other states and nations have recognized tourism as a vital economic development tool and for its critical support to the overall tax base. Yet Montana is falling behind in the increasingly competitive global marketplace. In 1993 Montana ranked 15th in the nation in state tourism promotion budgets. Currently, Montana ranks 34th in tourism promotion spending and is losing market share as other states invest more dollars in promotion. A comparison of national average domestic advertising budgets shows Montana falling short of the average by 37%. If Montana's number of visitors flattens or declines, not only is that bad news for Montana's economy (at \$2.7 billion, tourism is one of the state's leading industries) it is also bad news for our museums, parks, air service and more.

How does this initiative benefit the average Montanan?

Besides being a huge economic engine (providing 45,940 jobs for Montanans), tourism helps preserve our sense of place. Few states are as proud of their culture and heritage as we are here in Montana. The pristine landscapes, the wildlife, the ghost towns, the downtowns — they are the very essence of who we are. Without visitors and the monies they bring, many of Montana's most cherished places would not exist for the enjoyment of the public.

How is it funded?

Approximately \$14 million in funding will be redirected from the general fund to the "Best Place First" partners via two sources:

- ✦ 3% select sales accommodations tax passed in 2003 (\$11.8 million)
- ✦ 4% rental car tax also passed in 2003 (\$3.1 million)



How will the monies from the general fund be replaced?

For every dollar we invest in advertising visitation to Montana, the state gets \$3.50 back in state and local tax revenue and under this proposal \$2.12 of this tax revenue would go directly to the general fund.* So think of this as a short-term loan that will, in essence, pay back the general fund. The monies used to enhance tourism marketing efforts will result in increased visitor spending which in turn increases income, property and corporate tax collections.

*The analysis and forecasts of the "Best Place First" plan have been documented by the professional and independent analysis of Longwoods International as well as Susan Ockert, economist at the Montana Department of Commerce.

How are funds allocated?

- ♦ The existing 4% accommodation tax begun in 1987 and its current funding allocations are to be maintained so it does not threaten the integrity of this long-standing and vital tourism funding mechanism.
- ♦ New funds (the 3% select accommodation tax and 4% car rental tax) would be allocated to the entities listed below. Please note the following numbers are in addition to current funds some of these tourism partners already receive from the existing 4% accommodation tax:

Proposed "Best Place First" allocations:

Amounts listed are approximate. Legislation will be based upon percentages.

Historical Society.....	\$382,069
ITRR (research)	\$52,100
State Parks	\$470,350
Travel Montana.....	\$8,194,218
Regions & CVBs	\$3,405,333
Heritage Commission	\$509,425
Cultural Trusts (Arts Council)	\$785,846*
Historic Properties.....	\$523,897*
Tribal Tourism Alliance.....	\$149,065*

*Has not previously received funding from the 4% accommodations tax.

Join Us – Contact/Questions

We ask you to learn more about this plan and to support this effort to help us build a "better sense of place" while enhancing Montana's economy.

For further information, contact the Travel Industry Association of Montana at gailb@mt.net or call 406-443-7838.



1.05.07

Revised with Executive Budget numbers.

